



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

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ATTORNEY GENERAL

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Mr. Tom Krueger
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EPA Region 5 Records Ctr.



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Dear Tom;

In response to our meeting with the Ellsworth PRP's last Monday, here is the information regarding the \$2,000,000 appropriation. The appropriation is "for grants and contracts for public drinking water infrastructure, including design and construction, where private drinking water wells have been contaminated by a hazardous substance."

There are several matters we need stay aware of regarding this appropriation. First, it is not exclusively for Downers Grove. It is intended for Lisle and Woodridge, as well. And while it is *intended* for these three areas, there is no limiting language guaranteeing these areas are the only ones eligible.

In Downers Grove, there is one small area north of Maple and east of I-355 (North Belmont Park) that does not currently have water mains. This is the only area known to be affected by the Ellsworth Industrial Park plume without infrastructure. It is unlikely that the cost to install mains in this area would be \$2,000,000.

One point that is unclear is the potential need to reimburse the State for the grant funds. During the meeting between the US EPA, Illinois EPA and the PRPs, the PRPs suggested that if grant money was available to pay for the installation of the water mains, they should not have to pay Downers Grove for that portion of the hook up fee. According to the PRPs, of the \$2,700 hook up fee that Downers Grove charges, \$600 was a metering fee, and the balance was reimbursement of the capital costs of installing the water mains. The PRPs logic seems to be that Downers Grove should not be seeking reimbursement of capital expenses that they paid for with grant money. There are two problems with this logic: (1) The Bureau Of Water, which

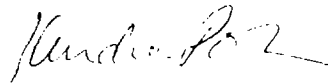
administers the grant money, is looking at rules to require reimbursement of the funds if the city is reimbursed; and (2) Downers Grove cannot get reimbursed by the State under this appropriation for the cost of the rest of the mains servicing the affected areas, only for the North Belmont Park area.

There is also the annexation issue. The availability of the funds may be contingent upon a minimum percentage of the residents being serviced by the project agreeing to hook up to the water mains. Essentially, the State does not want to hand over a large sum of money to pay for the installation of water mains that no one is willing to hook up to. If the residents living on the streets do not already have an annexation agreement with Downers Grove, and wish to fight the annexation, we may not be able to get the minimum number of residents signing up for hookups to qualify for the grant funds.

Lastly, the grant funds will not cover 100% of the infrastructure costs. By law, the grant can only be for 70% of the project cost. See 35 Ill. Adm. Code 661.705(a).

I hope this information is helpful. Don't hesitate to contact me should you have any further questions regarding it.

Sincerely,



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cc: MJD/RMC - AGO
Mark Gurnik - IEPA

U.S. ENVIRONMENTAL
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